

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 09561 011249Z

43

ACTION EB-07

INFO OCT-01 IO-13 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

L-03 FRB-03 OMB-01 ITC-01 SP-02 AGRE-00 AID-05

CIAE-00 COME-00 INR-07 LAB-04 NSAE-00 OIC-02 SIL-01

STR-04 TRSE-00 CIEP-01 CEA-01 AF-08 ARA-06 EA-07

EUR-12 NEA-10 /099 W

----- 064160

O R 011046Z DEC 76

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 3922

INFO ALL OECD CAPITALS 121

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE GENEVA 9561

EB FOR KATZ; EB/ICD FOR WENDT

E.O. 11652: N/A

TAGS: UNCTAD

SUBJECT: UNCTAD FIRST PREPARATORY MEETING ON COMMON FUND:
OPENING STATEMENTS

REF: GENEVA 9508

1. SUMMARY: CHIEF FEATURE OF SECOND DAY OF CF MEETING WAS AFTERNOON PLENARY SESSION IN WHICH G-77 AND GROUP B MADE STATEMENTS, FOLLOWED BY SEPARATE COUNTRY STATEMENTS BY CHINA, THE UNITED STATES, NORWAY AND AUSTRALIA. G-77 STATEMENT FOLLOWED CLOSELY LINE TAKEN IN UNCTAD SECRETARIAT PAPER. U.S. STATEMENT EMPHASIZED THAT U.S. HAD NOT ENDORSED PRINCIPLE OF CF. NORWAY, SPEAKING ON BEHALF OF SCANDINAVIANS, MADE STATEMENT SUPPORTING CF. AUSTRALIAN STATEMENT CAREFULLY LEFT ALL OPTIONS OPEN. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 09561 011249Z

2. BEFORE AFTERNOON PLENARY SESSION, GROUP B HELD BRIEF

MRONING SESSION TO EVALUATE OPENING SESSION REPORTED REFTEL. NOTEWORTHY FEATURE OF GROUP B STRATEGY MEETINGS HAS BEEN EVIDENT CONCERN OF JAPAN, AUSTRALIA, CANADA AND NEW ZEALAND OVER COREA'S OPENING ADDRESS NOV. 29 WHICH IMPLIED THAT DECISION IS PRINCIPLE TO ESTABLISH A COMMON FUND (CF) HAD BEEN TAKEN AT NAIROBI AND THEREFORE TASK OF THESE MEETINGS ONLY TO WORK OUT DETAILS. THESE COUNTRIES STRESSED THAT THEIR DECISION TO ATTEND NEGOTIATING CONFERENCE WAS WITHOUT A COMMITMENT TO ESTABLISHMENT OF A CF. US INDICATED WE BELIEVED IT WOULD BE NECESSARY FOR US TO MAKE OUR OWN STATEMENT AT PLENARY ON THIS ISSUE. ON THE OTHER HAND, SWEDEN, NORWAY AND FINLAND PREDICTABLY SAW COREA'S REMARKS AS ENCOURAGING AND INDICATED SUPPORT FOR A CF ALONG LINES OF SECRETARIAT PROPOSAL. EC COUNTRIES HAVE BEEN SILENT PENDING OUTCOME, IF ANY, OF JUST-CONCLUDED EC HEADS OF GOVERNMENTS MEETING.

3. PLENARY: ELECTION OF OFFICERS. G-77 REP (KHERBI OF ALGERIA) ELECTED CHAIRMAN; OTHER OFFICIALS: RAPPOREUR (BELGIUM), AND FOUR VICE-CHAIRMEN (JAMAICA, SRI LANKA, SWITZERLAND, HUNGARY).

4. COUNTRY STATEMENTS. G-77 SPOKESMAN (KIBRIA OF BANGLADESK) PREFACED LENGTHY STATEMENT ON BASIC FEATURES OF A CF BY STATING THAT TASK OF FIRST PREPARATORY MEETING WAS QUOTE CLEAR AND EXCLICIT, CALLING FOR DISCUSSION AND NEGOTIATION OF MODALITIES AND DETAILS OF THE FUND UNQUOTE TO ENABLE THE FORTHCOMING NEGOTIATING CONFERENCE ON THE FUND TO ADOPT ITS ARTICLES OF AGREEMENT. HE STATED THERE WAS NO ROOM FOR EXTRANEIOUS INTERPRETATIONS OF NAIROBI MANDATE OR INTRODUCTION OF OTHER ISSUES. IN G-77 VIEW, CG WOULD QUOTE IMPART NEW DYNAMISM TO EFFORTS TO RE-STRUCTURE WORLD COMMODITY TRADE, DIVERSIFY PRODUCTION AND EXPAND PROCESSING OF PRIMARY PRODUCTS IN LDCS WITH A VIEW TO PROMOTING THEIR ACCELERATED INDUSTRIALIZATION AND INCREASING EXPORT EARNINGS UNQUOTE. FURTHER, CF WAS THE MAIN INSTRUMENT OT ATTAIN OBJECTIVES OF NAIROBI RESOLUTION THROUGH (A) FINANCING NATIONAL AND INTERNATIONAL STOCKS OR OTHER MEASURES SPECIFIED IN RES. 93(IV) AS PART OF INTERNATIONAL COMMODITY AGREEMENTS, (B) LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 09561 011249Z

ESTABLISHING A GLOBALLY REPRESENTATIVE BODY OF DCS AND LDCS, AND THEREBY FACILITATING NEGOTIATION OF COMMODITY AGREEMENTS FOR PRODUCTS OF PARTICULAR INTEREST TO LDCS. THIS WOULD HASTEN ESTABLISHMENT OF THE NIEO.

5. REMAINDER OF G-77 STATEMENT CLOSELY TRACKED PROPOSALS OF UNCTAD SECRETARIAT PAPER PREPARED FOR MEETING.

6. GROUP B SPOKESMAN SAID MOST MEMBERS OF GROUP B HAD AGREED TO ATTEND PREPARATORY MEETINGS AND NEGOTIATING CONFERENCE ON CF. PUBLIC POSITIONS HAD NOT CHANGED SIGNIFICANTLY SINCE NAIROBI ALTHOUGH ALL GOVERNMENTS WERE REVIEWING ECONOMIC ASPECTS OF CF PROPOSALS. NOTING THAT THE UNCTAD SECRETARIAT'S PAPER IS ONE WAY TO ADDRESS THE PROBLEM, HE STATED THAT THIS MEETING SHOULD BE VIEWED AS A TECHNICAL EXAMINATION OF THE IMPLICATIONS OF VARIOUS PROPOSALS. IN THIS CONTEXT, THE PAPERS SUBMITTED BY FOUR GROUP B COUNTRIES EVIDENCE THE RANGE OF APPROACHES THAT SHOULD BE EXPLORED.

7. PRC DELIVERED FORMULA ATTACK ON WEST, SUPPORTING NIEO AND INDICATING THAT CF WOULD HELP PROTECT LDCS FROM MONOPOLISTIC CAPITALISTS AND SUPERPOWERS.

8. US REP (BOERNER) STATED US HAD NOT ACCEPTED THE PRINCIPLE OF COMMON FUNDING AND IN FACT SAW NO BASIS AT PRESENT FOR A POSITIVE JUDGMENT ON THE NEED FOR COMMON FINANCING (FULL TEXT OF STATEMENT SENT SEPT 1). OUR POSITION REMAINED AS STATED AT NAIROBI. HE CRITICIZED PROPOSAL IN UNCTAD SECRETARIAT PAPER THAT AGREEMENT BE REACHED ON FINANCING BEFORE THERE WAS AGREEMENT ON STOCKING. MOREOVER, HE NOTED THAT A NUMBER OF MEASURES OTHER THAN BUFFER STOCKS MIGHT BE MORE APPROPRIATE TO IMPROVING AND STABILIZING MARKETS FOR SOME COMMODITIES. IN CONCLUSION, HE EMPHASIZED THAT US INTENDED TO PARTICIPATE FULLY AND CONSTRUCTIVELY IN PREPARATORY MEETINGS AND, BASED ON THESE RESULTS, WOULD MAKE A DECISION ON PARTICIPATING IN THE NEGOTIATING CONFERENCE.

9. NORWAY, ON BEHALF OF ITSELF, FINLAND AND SWEDEN, GAVE STATEMENT OF SUPPORT FOR CF, INDICATING THAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 09561 011249Z

DECISION ON ITS ESTABLISHMENT AT THE MARCH CONFERENCE WOULD HAVE A CATALYTIC EFFECT ON INDIVIDUAL COMMODITY NEGOTIATIONS. MAIN FUNCTION OF CF SHOULD BE BUFFER STOCKS FINANCING ALTHOUGH THIS FUNCTION MIGHT BE SUPPLEMENTED BY OTHER MEASURES AS DETERMINED THROUGH NEGOTIATIONS.

10. AUSTRALIAN REP INDICATED SYMPATHY WITH LDC COMMODITY PROBLEMS AND NEED FOR ADEQUATE FINANCING OF STOCKS. HOWEVER, HE STATED THAT WHILE AUSTRALIA WOULD PARTICIPATE IN MARCH NEGOTIATIONS, IT WAS QUOTE NOT POSSIBLE TO SAY WHAT WOULD BE THE MOST APPROPRIATE COURSE UNQUOTE. IN LINE WITH THEIR FORMAL COMMENTS TO THE SECRETARIAT, HE SUGGESTED THREE AREAS OF STUDY: (A) THE PRECISE ROLE AND PURPOSE OF A CF, (B) THE EXTENT TO WHICH LACK

OF FINANCING HAS INHIBITED ESTABLISHMENT OF COMMODITY AGREEMENTS AND (C) THE RELATIONSHIP OF THE CF TO INDIVIDUAL AGREEMENTS.

11. COMMENT: G-77 PLENARY STATEMENT WAS BUSINESSLIKE IN TONE, CHIEFLY ADDRESSING IMMEDIATE ISSUES RAISED BY COMMON FUND PROPOSAL AND ESTABLISHING SOLID G-77 BACKING FOR UNCTAD SECRETARIAT'S APPROACH. ALTHOUGH EC DID NOT SPEAK, WE UNDERSTAND THEY MAY DO SO LATER IN THE WEEK, IF SUFFICIENT UNITY CAN BE REACHED, AND WILL BASE THEIR REMARKS ON DRAFT EC LETTER (NEVER SENT) TO UNCTAD SYG. GERMANS TOLD US PRIVATELY THAT THEY DOUBT THIS UNITY CAN BE ACHIEVED, AND MAY SPEAK ON THEIR OWN ALONG LINES SIMILAR TO US. JAPAN AT THIS POINT IS MERELY WATCHING PROCEEDINGS WITH INTEREST, BUT A SEPARATE GERMAN STATEMENT MIGHT FORCE THEM TO MAKE THEIR OWN STATEMENT LATER IN THE WEEK.

12. THERE WAS NO IMMEDIATE REACTION TO US STATEMENT. THIS MAY COME WHEN MEETING RESUMES THURSDAY (WEDNESDAY SESSION CANCELLED BECAUSE OF MOSLEM RELIGIOUS HOLIDAY). CATTO

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 01 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976GENEVA09561
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760444-1145
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761284/aaaacurc.tel
Line Count: 191
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 GENEVA 9508
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2004 by woolflhd>; APPROVED <07 SEP 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNCTAD FIRST PREPARATORY MEETING ON COMMON FUND: OPENING STATEMENTS
TAGS: AORG, UNCTAD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006